

**MINUTES OF TELEPHONIC MEETING
ILLINOIS GAMING BOARD
February 25, 2004
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

A Telephonic Meeting of the Illinois Gaming Board ("Board") was held on February 25, 2004. The Board met in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle for closed session.

The following Board Members were present: Chairman Elzie Higginbottom, Members Violet Clark, William Fanning, and Gary Peterlin. Member William Dugan was present telephonically.

The meeting convened at 10:27 A.M. Pursuant to Section 2(c), paragraphs (1), (11), and (14) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Peterlin moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Investigations concerning applicants and licensees;**
- 2. Pending litigation and matters involving probable litigation; and**
- 3. Personnel matters.**

Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

At approximately 3:00 P.M. Member Clark moved that the Board reconvene into Open session. Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

The Board convened its Open session at 3:05 P.M. Member Dugan was present telephonically.

Chairman Higginbottom stated that the Board would be selecting the three finalist today.

Chairman Higginbottom thanked all of the seven entities that bid for the Emerald license.

Chairman Higginbottom thanked the Illinois Gaming Board's staff for all of the hard work and countless hours that they put in to review the information that was submitted by the seven respondents.

Chairman Higginbottom stated that the Board believes that the process was handled in a fair, open and competitive manner. Chairman Higginbottom stated that Staff and the Board has given a great deal of weight and consideration to all of the proposals. Chairman

Higginbottom stated that while reaching at their decision as to who should be the final three bidders, the Board and Staff have given consideration to the economic development in Illinois, the creation of jobs, and the communities that are economically deprived.

Chairman Higginbottom stated that this sale process was conducted in accordance with an agreement that was negotiated by Attorney General Lisa Madigan and was approved by the U.S. District court.

Chairman Higginbottom stated that as the Board moves forward in the process, the three final bidders would be invited to make public presentations regarding their proposals on Monday, March 1, 2004. Chairman Higginbottom stated that the presentations would be held in the auditorium at the James R. Thompson Center. Chairman Higginbottom stated that each bidder would be given two hours to make the presentation. Chairman Higginbottom invited the public to attend. Chairman Higginbottom stated that on March 4, 2004, the Board would hold another Special meeting to receive public comments regarding the presentations made by the three bidders. Chairman Higginbottom stated that on Friday, March 5, 2004, the Board would identify one of the final bidders as the lead proposal. Chairman Higginbottom stated that on Wednesday, March 10, 2004, there would be an auction held among the three final bidders. Chairman Higginbottom stated that the auction would be open to the public; however; seats are limited. Chairman Higginbottom stated that the Board would meet on March 11, 2004 to review and discuss the auction and to conduct its regular business. Chairman Higginbottom stated that on Monday, March 15, 2004, after the Board has studied the last bid submitted by the final three bidders, the Board would announce the winning bidder.

Chairman Higginbottom stated that it is the Board's goal that after the process is concluded in July, the 10th casino license would be up and operating within fifteen months of the sale of the Emerald Casino, Inc.

Chairman Higginbottom thanked the legal and investigative staff for its hard work and long hours to get to this point.

Chairman Higginbottom stated that Interim Administrator Tamayo has done a terrific job in making sure that this process is fair, open and competitive.

Chairman Higginbottom thanked his fellow Board members for the long hours and the tremendous contributions that they made during the sales process.

Interim Administrator Tamayo briefed the public on all of the events that that took place leading up to today's (February 25, 2004) selection of the final three bidders.

Joe Schorr, Kirkland & Ellis, who is the attorney for Emerald Casino, was present on behalf of Emerald Casino to request that the Board identify three bidders that should be selected for the auction that will occur on March 10, 2004.

- Emerald Casino, Inc. - Request for Board approval to conduct auction on March 10, 2004 with 3 bidders selected by the Illinois Gaming Board, pursuant to side letter to Emerald's Fourth Amended and Restated Plan of Reorganization

Based on a detailed review of the seven bid proposals for the acquisition of Emerald Casino, Inc. submitted on January 19, 2004 and having considered the analysis and recommendations of staff, Member Clark moved that, **pursuant to the Side Letter to Emerald's Fourth Amended Plan of Reorganization and the Bid Procedures incorporated therein, to approve Emerald's request to conduct an auction on March 10, 2004 and that the following three entities participate in the auction.**

1. **Harrah's Entertainment, Inc.;**
2. **Isle of Capri Casinos, Inc.; and**
3. **Midwest Gaming & Entertainment LLC.**

Member Fanning seconded the motion. The Board approved the motion unanimously by voice vote.

Interim Administrator Tamayo prepared the final three bidders' names to be selected for a timeslot for the presentations on Monday, March 1, 2004. Each bidder's name was submitted into an envelope three times to increase the bidder's chances. Interim Administrator Tamayo stated that there are three timeslots: 9:30 A.M., 12:30 P.M., and 3:00 P.M.

After removing her jewelry and rolling up her sleeves, Interim Administrator Tamayo pulled the names of the final three bidders to determine the time slots for each bidder.

The timeslots for the presentations are as follow:

9:30 A.M.- Midwest
12:30 P.M. - Isle of Capri
3:00 P.M. - Harrah's Entertainment

At 3:23 Member Peterlin moved that **the Board reconvene into Closed session.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

The Board adjourned at 3:45 P.M.

Respectfully submitted,
Monica Thomas

Secretary to the Board